

D R A F T

4 November 1982

REPORT  
OF  
THE LOGISTICS ANNUAL PLANNING CONFERENCE

The Office of Logistics holds an annual conference to assess what has been, what is, and what should be. This year's conference was held 14 and 15 October [REDACTED]

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[REDACTED] This location, away from the pressures and demands of daily activities, provided an atmosphere that allowed continuous uninterrupted discussion. The conference was attended by the Front Office, Division and Staff Chiefs, and the conference coordinator from the Plans and Programs Staff. For the past two years, the primary objective of the conference has been to discuss and establish goals and objectives for strategic and long-range planning. Since the Logistics Five-Year Plan had been completed and the Office's response to the Agency Long-Range Plan was well underway, this year's conference focused on issues that offered the potential to improve Logistics as a place to work and to increase organizational responsiveness and efficiency through mutually agreed changes. (S)

The conference was opened by the Director of Logistics,

S E C R E T

(D/L), Dan King, who set the tenor for open and informal discussion on issues of Office-wide and Agency-wide concern. The D/L had recently attended the Office of Management and Budget hearings on OL's 1984 budget and stated that the hearings went okay. He further stated that the funding process for the two major projects underway in OL, LIMS and the new building, was on schedule and there is evidence that both will receive adequate funds to proceed. Regarding OL's workload, the D/L stated that there is now more work than people. Although the ideal situation is parity between work and personnel, the majority prefer to be busy than to be without sufficient work. (U)

The conference continued with discussions led by each Division and Staff Chief. The topics discussed are summarized in the following paragraphs. (U)

#### PROMOTION POLICY FOR NEW PROFESSIONAL ENTRANTS IN CATEGORY I

OL has been faced with and continues to address the question of how to equitably integrate new logistics professionals in the logistics workforce through the comparative evaluation panel process. This issue applies mainly to professionals in the Supply and Procurement Divisions and has most recently been discussed in the S1 and S2 panels.

The dilemma is created by the unique characteristics of the competitive groups; the new professional and the old professional. The new professional is usually a recent college

2

S E C R E T

S E C R E T

graduate with a good academic record but little related work experience. These employees are most often placed in Category I based on their educational background and academic records which suggest the potential for rapid career growth into higher level positions. Rapid promotions are warranted based on this potential and to remain competitive with other Government agencies, and the private sector, whose training programs and/or promotion policies are more liberal than the Agency's in grades 7 through 11. The old professional is usually an employee who has come up through the ranks, who has paid dues but often does not have a college degree. These employees that are placed in Category I have very good performance records but may be limited in growth beyond a specific level. Promotions are warranted in recognition of performance and to retain the experience and learning that has been gained over the years and that is valuable to the Office. (AIUO)

It was generally agreed that dual or separate evaluation systems would not be established and that equity in the promotion process must be maintained. It was the consensus of attendees that new professional entrants must be non-competitively promoted through GS-9, providing performance is satisfactory, to remain at least marginally competitive in the GS 7-11 grade range with other entities. Given the necessity of promotion for new professionals through GS-9, then, to achieve equity and fairness to all employees, it was thought that pro-

3  
S E C R E T

motions should be made in excess of headroom, when possible, to achieve a balance of all professionals. It was emphasized that employees who are not performing satisfactorily should be identified early on (during the trial period in the case of new employees) and action taken to correct the situation. The Chief, Personnel and Training Staff will draft the policy on the promotion of professionals. (AIUO)

#### MANAGEMENT OF DATA IN OL

Data is a costly organizational resource and, therefore, should be managed effectively. ADP systems should be accurate, reliable, customer-oriented, maintainable, accepted, useful, standardized and avoid duplication. The decentralized systems in OL tend to prohibit the achievement of these objectives. Hence, a proposal was presented for a greater degree of centralized management of ADP in OL. (U)

The proposal provided for centralized management of all OL ADP functions. OL currently has seventeen ADP systems and fourteen information data bases with management and operation decentralized in OL functional components. Although the Systems Analysis Branch (staffed by ODP careerists), now a part of P&PS, is responsible for maintenance of these systems, approximately  careerists are dedicated full time to system operations. The centralized ADP structure is envisioned to function much like the procurement team

S E C R E T

system; i.e., systems operations will continue to be decentralized while personnel resources and requirements will be centralized. In addition to becoming more effective and meeting the objectives stated above, centralized management of ADP resources will be more responsive to requirements, provide parity between requirements and capabilities, allow continuity and offer a specialized career tract to OL careerists. (AIUO)

All attendees favored some degree of centralization, and the Chief, Plans and Programs Staff is coordinating with Division Chiefs to identify the best balance between the efficiencies of centralization and the responsiveness of decentralization. (U)

#### AGENCY GROWTH AND ITS IMPACT ON PRESENT SPACE PLANNING

The total Agency projected growth in personnel and advanced technical systems for the next ten years will increase demands on OL for space. The planned increases suggest that present space planning for consolidation on the HQ compound will not be adequate to satisfy Agency space needs. Hence, decentralization of Agency functions will most likely continue and consideration should be given to alternatives for acquiring additional space to house the Agency. It is presently very difficult to acquire adequate space in a timely manner to satisfy customer requirements. This difficulty will be intensified by growth. The unknowns that preclude proper space planning are actual growth of personnel

S E C R E T

and systems, the new building occupants, and the effects of new technical systems on office designs and furniture requirements. (C)

The impact of the new building consolidation on OL's assignment of resources is a major concern: i.e., where will field officers be assigned, will consolidating the Agency necessitate some degree of duplication (ex. - a Headquarters and field engineer in the same office) will the three printing plants now in existence (P&PD, FBIS and OTS) be colocated at the Langley complex as three autonomous and physical entities. (U)

The Furniture Task Force, headed by the Chief, Supply Division, who is studying methods to improve OL responsiveness to furniture requirements, will also study the space issue. (U)

#### IMPROVING PRODUCTIVITY IN OL THROUGH QUALITY CIRCLES

The implementation of Quality Circles in the Printing and Photography Division is being considered as a tool to improve productivity. A quality cricle is a small group of employees (8-15) who perform related work and meet regularly to solve work-related problems by using analytical problem solving methodology and brainstorming. Quality Circles allow worker involvement in problem resolution with decisions made by workers for workers. Quality Circles require management support, interested members and trained facilitators. (U)

Quality Circles have been successfully used in Japan and in over seventy U.S. firms and government agencies. The Norfolk

Naval Ship Yard has experienced significant dollar savings through the use of quality circles in addition to intangible savings; increased productivity, improved morale, and worker motivation. (U)

Quality Circles have the potential for application in the

25X1 [ ] Logistics Services Division as well as P&PD. The Chief, Printing and Photography Division will conduct further research and initiate a pilot program in P&PD. (U)

#### REORGANIZATION OF OL

The following factors were presented in support of a reorganization of the Office of Logistics:

- The current organizational structure is sometimes a barrier to the flow of requirements and communications, consequently, responsiveness to customers is being degraded.
- The implementation of LIMS.
- Managers of Stock are too far from the Buyers. 25X1
- Both managers and buyers are too far from [ ]
- There is no central Point of Contact for status on requirements.
- The Data bases applicable to the acquisition process are not sufficiently common.
- Procurement teams [ ] have no interaction with Procurement Division. 25X1

[ ]

It is generally felt that LIMS, as currently designed, will require a group (possibly high level managers) at the front end of the system to queue requirements into the system. The priority system designed into LIMS must be enforced. (U)

Several views of OL functional realignment were discussed with emphasis on the most effective place for  Staff/PD, Operations Support Branch/SD, Small Purchases Branch/CD/SD and the Safehouse Section, Real Estate Branch/RECD. The common concerns of reorganizing are the functional relationship of OL components, required and available expertise and the commonality of functions. (S)

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In defining the requirements for LIMS, OL management has addressed the long range organizational impact of automation. However, to address the more immediate requirements, a group was established chaired by the Chief, Building Planning Staff, to determine if organizational realignments are appropriate at this time. The group will report to OL managers with their findings and identify the advantages and disadvantages of alternative organizational changes. (U)

#### POLICY ON FOREIGN OWNERSHIP CONTROL AND INFLUENCE

The Office of Logistics is drafting a Headquarters Notice (HN) which sets forth Agency policy for contracting with firms, colleges and universities located within the United States, Puerto



S E C R E T

Rico, and a U.S. possession or trust territory that are under Foreign Ownership, Control or Influence (FOCI). The HN will state that firms, colleges and universities determined to be under FOCI are not eligible for contracting with the Agency, unless approved by the Director of Logistics and the Director of Security. Several factors will be used to determine if an organization is under FOCI, one of which is foreign interest ownership or beneficial ownership of fifteen percent or more of the organization's securities. This percentage is consistent with DOD guidelines. (AIUO)

The Security Staff has modified its data base to identify firms under FOCI by using the information provided by firms on Form 441, Certificate Pertaining to Foreign Interests. The Security Staff will investigate those firms identified, evaluate the degree of FOCI and determine which firms should be placed on Procurement Note No. 85, Notice to or Approval of the Director of Logistics Prior to undertaking Contractual Relationship With Certain Contractors. The SS is coordinating with the Defense Investigative Service (DIS) on those firms under FOCI. (AIUO)

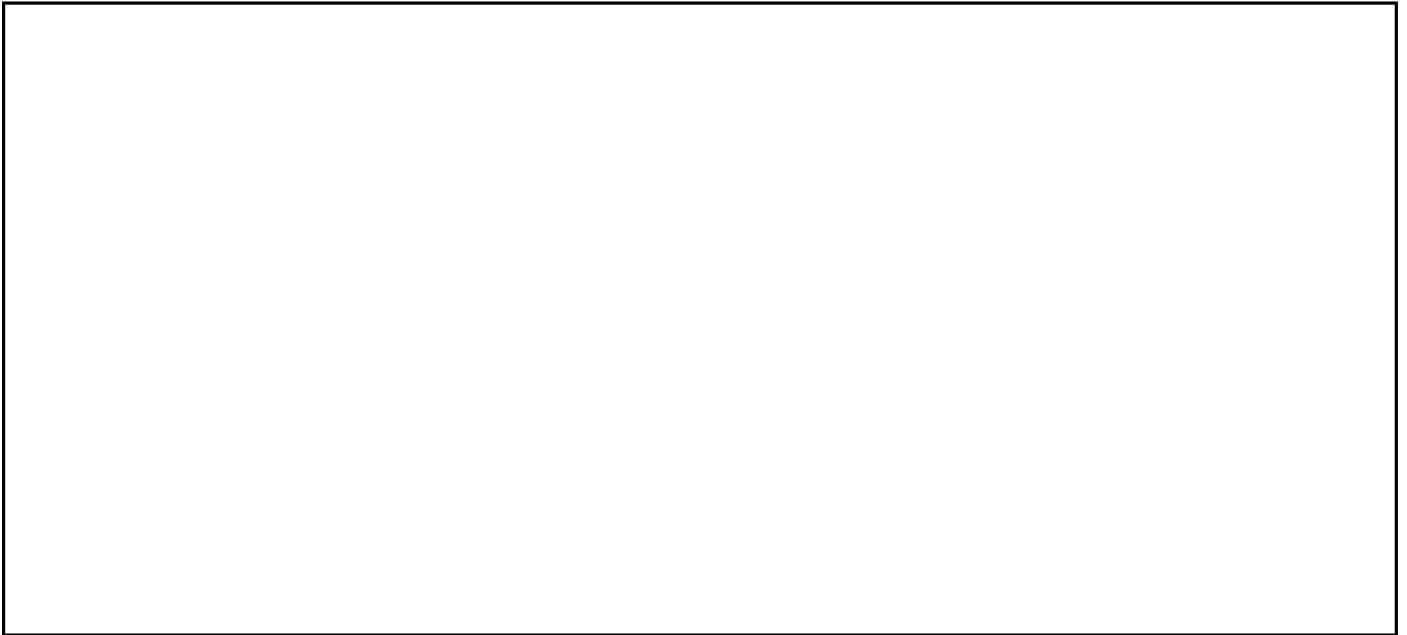
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Various skills are required. In addition to general, civil, electrical and mechanical engineering and architectural skills,

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The Office is aggressively pursuing the above options and, if any are found to be feasible, will develop a specific plan of action. (U)

#### UNIFORM FEDERAL PROCUREMENT SYSTEM

Activities are in process to issue new procurement regulations that will provide uniform policy and procedures for federal procurements by all federal agencies. The Office of Federal Procurement Policy has been given an extension to October 1983 to prepare proposed regulations for submission to the Congress. Some reasons supporting new uniform regulations are:

- Too many existing regulations to be reasonable, efficient and effective.
- Inconsistency between procurements and the Federal

S E C R E T

S E C R E T

Procurement Regulations (FPRs) and the Defense Acquisition Regulations (DARs).

- Reporting requirements are varied and extensive.
- Year end spending.
- Annual vs. Multi-Year Funding.
- Lack of accountability.
- Poor organizational placement of the procurement function.
- Lack of management concern in the procurement process.
- Lack of standards for performance measurement of contracting Officer personnel.
- Inadequate planning to take advantage of prices.
- Lack of Competition.
- Lack of well-trained professionals to properly administer contracts. (U)

The new procedures have the potential to substantially affect the way the Office does business. They are expected to change the methods of procurement to three: Sealed-Bid, Competition, and Non-Competitive Sole Source. The procedures will eliminate the requirement for consideration to amend a contract and there will be no preferred type of contract. OL and Agency concerns are, will the Agency be obligated to comply, what waivers will apply and will a rewrite of all agency Procurement policy (regulations, clauses, etc.) be required. (U)

Each government agency must designate a procurement executive to coordinate action on the new regulations. The Agency represen-

S E C R E T

tative is the Chief, Procurement Management Staff. (U)

## GENERAL ISSUES

### Employee Morale

It is generally felt that employee morale is better than it has been in several years. This condition is attributed to increased requirements--there is ample work for all employees. Additionally, the quality of work and employee motivation has improved. (U)

The working environment can be further improved by the following:

- Managers should spend more time on employee turf.
- Deputy Chiefs should become more involved in personnel matters.
- Project/action officers should be responsible for presenting their work to management and initiate and sign memoranda (except outside OL).
- Action will be taken to improve communications with employees, especially employees who have low morale.
- Employees should live up to their commitments, i.e., go where they are needed. (U)

### Impact of Rotations of Chiefs and Deputies

Although the recent rotations of OL division chiefs and deputies are viewed as healthy, the verdict is still out on the impact. The rotations were made to broaden awareness of problems

in other divisions, broaden expertise of the managers and create a new management style in the divisions. Even though it is too early to assess the impact of the rotations on employees, it was stated that the chief and deputy should not rotate at the same time and that the rotations were potentially expensive due to discontinuity. (U)

OL's Image

The Office is very effective and all of OL should be proud of achievements. The Office has outstanding employees who probably underestimate office accomplishments. The office is recognized by the Deputy Director of Administration (DDA) and other Agency components as responsive and professional. (U)

Future Conferences

It was the concensus of the attendees that a meeting of this type away from the job is needed in the near future to discuss the continuing issues and new topics of mutual interest. Toward this end, the Chief, Plans and Programs Staff will establish an agenda and coordinate arrangements for a breakfast at the Executive Dining Room on or about 20 December 1982. Staff meetings will also be used to discuss items of office-wide concern. (U)